Supply Chain Security – Public and Private Partnerships: Perspective of New Zealand Customs

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Supply Chain Security – Public and Private Partnerships: Perspective of NZ Customs
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Presentation Overview
This presentation will cover:
• NZ’s Trade Security Strategy.
• Background to the Secure Exports Scheme (SES).
• Implementation of Mutual Recognition Partnerships under the APEC/WCO SAFE Framework.
• NZ-US Mutual Recognition.
• Mutual Recognition with Australia.
• Foundation For Future Facilitation benefits.

Trade Security Strategy
• To maintain and enhance facilitated access to world markets for New Zealand exports:
  ➢ To assure trading partners that all goods exported from all ports in New Zealand are ‘low security risk’.

• To be recognised as a responsible global citizen by contributing to international supply chain trade security:
  ➢ To be recognised as committed to the principles, standards and outcomes of the WCO/APEC Framework.

Securing the Supply Chain

Government Agencies Involved in Securing the Supply Chain

The Secure Exports Strategic Framework
• Control the export environment
  ➢ Robust legislative mandate
  ➢ Advance cargo information
  ➢ Timely examination of high-risk cargo prior to loading for export
• No Customs export clearance – no load.
New Zealand’s Supply Chain Security Strategy

**Reducing Risk – Secure Exports Scheme**

- Voluntary;
- Consistent with the WCO/APEC SAFE Framework (Pillar 2);
- Industry commitment to trade security standards;
- Recognises existing security practices;
- Provides confidence through mutually agreed supply chain security practices;
- Underpinned by legislative support.

Implementing a Mutual Recognition Arrangement under the WCO Framework

- New Zealand’s approach is to work on a bilateral basis with other partner administrations to enhance supply chain security;
- Administrations seeking to implement end-to-end supply chain security on a bi-lateral basis must embrace the principles, standards and objectives of the WCO/APEC Framework of Standards.
- Both the Customs-to-Customs relationship and the Customs-to-Business programmes are essential component of a mutual recognition arrangement between two administrations.

Principles of a Mutual Recognition Arrangement

Recognition that the Customs-to-Business programmes are integral components of each country’s package of security initiatives.

Mutual confidence is based on:

- Risk management and screening of advance electronic cargo information;
- Inspection of ‘at risk’ containers on behalf of the other customs administration;
- Inter-agency communication between the respective National Targeting Centres;
- Information and intelligence sharing;
- Identifiable benefits to exporter members.

**Principles of a Mutual Recognition Arrangement (cont.)**

A comprehensive mutual recognition arrangement entails reciprocal validation of the standards applied to each programme for:

- Applying for membership;
- Assessing and validating an application for membership;
- Approving membership;
- Mutual validation;
- Follow-up compliance assurance procedures.

New Zealand’s Mutual Recognition Partnership Program

- NZ Customs and US CBP will very shortly sign a Mutual Recognition Arrangement during the WCO Council Session in Brussels, Belgium.
- New Zealand is committed to working towards a supply chain security arrangement with Australia:
  - Key area of initial focus is gaining an understanding of Trans-Tasman trade, and identifying efficiencies and risks in the process.
  - Significant work has already been undertaken to validate the perception of Trans-Tasman trade as ‘low risk’.
Wider Mutual Recognition

- Value of mutual recognition accepted.
- Consistent learning process.
- Administrations taking different approaches.
- Importance of the Customs to Customs relationship.
- Consistency important at the operational level.

Foundation for Future Facilitation Benefits

- Safe trade assurance gives vendor advantage.
- Single Window:
  - requires import information at point of export
  - single set of data that meets regulatory and risk management requirements.
- International trade approaches domestic administration costs, and potential risk reduced to domestic levels or better.
- Customs-to-Business programmes built around trade assurance delivered by companies operating in a number of countries.

Questions?